



RESEARCH HIGHLIGHTS

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THE FUTURE OF THE INTERNET AND THE HOUSING SECTOR

Introduction

This study examines the extent of the usage of the Internet in the housing sector. It also explains the Internet and its main features briefly, the history of its general usage and growth worldwide, and the opportunities it provides for the housing sector over the next few years. Trends are discussed for the Internet and the following areas of the housing sector: construction, real estate, financing and evaluation, governments and government agencies, associations and urban planning. Finally, it provides a useful listing of housing-related Web sites in Canada and the United States, including:

1. institutional and government
2. construction and architecture
3. real estate
4. financing and mortgage loans
5. planning and related specialties
6. cooperative housing

Findings

In the 1990s, the Internet has grown rapidly. From 1996 to 1997, the number of Canadian households using the Internet doubled. Over the same period, the number tripled of new Canadian organizations on the World Wide Web with a ".ca" ending to their domain names. Interest grew particularly in its business applications — 77 per cent of organizations with Canadian domain names are in the business category, 5 per cent in education, 3 per cent in government, and 15 per cent in other.

The survey showed that the Internet is making significant inroads into the housing sector. More than 90 per cent of organizations responding to the survey conducted on behalf of Canada Mortgage and Housing Corporation have Internet access, and half of them have their own Web sites. Moreover, the number of Web sites linked to the housing sector is increasing steadily.

Internet technology meets three major concerns.

1. Product research and development: The Internet provides quick access to relevant government information that can be used for business purposes.

2. The marketing of products and services: The Internet provides direct access to, for example, product catalogues, lists of properties, and information on mortgage rates.
3. The exchange and promotion of information: The Internet offers an opportunity to take part in discussion groups and makes it possible to disseminate information rapidly and cheaply.

Organizations initially use the Internet primarily for electronic mail and to distribute information over the Web. However, they then increasingly seek to exploit the potential of the medium for business transactions and applications. Major changes will be made within organizations in conjunction with the introduction of new uses of the Internet for clients.

The firms that were first to have a Web site achieved very favourable results. In particular, they enjoyed improved customer service, better visibility, improved communications, and lower costs.

Major disparities exist from one area to another with respect to firms' abilities to finance activities and improve employee skill levels. However, considering the potential of Internet technology, the future holds much promise for all areas of activity in the housing sector — construction, real estate, financing, urban planning, etc.

The scenarios presented in the study are intended to stimulate thought and encourage innovative ideas.



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Research Report The Future of the Internet and the Housing Sector, 1998.

Research Consultants: Syllable Internet Expressions Inc.; reviewed and supplemented by Florence Millerand.

A full report on this project is available from the Canadian Housing Information Centre at the address below.

Housing Research at CMHC

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